

## CENTERS FOR MEDICARE & MEDICAID SERVICES



# Quick Facts for people with a **Medigap** (**Medicare Supplement Insurance**) policy about Medicare's New Coverage for Prescription Drugs

Starting January 1, 2006, Medicare will offer prescription drug coverage for all people with Medicare. Medigap plans with prescription drug coverage are also changing. Whether or not your current Medigap policy covers prescription drugs, you should take a look at the new Medicare prescription drug coverage.

### What do I need to know?

- To have Medicare help pay for your drugs, you must join a plan that provides Medicare prescription drug coverage. You can choose the plan that meets your needs.
- You can first join a Medicare prescription drug plan from November 15, 2005–May 15, 2006. If you don't join during this period, in most cases, your next chance to join will be November 15, 2006–December 31, 2006, and you may have to pay a penalty for joining later.

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## What if I already have prescription drug coverage from my Medigap policy?

- That means, you pay all the costs for your Medigap drug coverage. However, if you join a Medicare Prescription Drug Plan, Medicare pays most of the premium for standard coverage. You will generally save money and get better coverage with the new Medicare prescription drug coverage than with your current drug coverage.
- To get these savings, you may want to think about dropping your Medigap drug coverage and joining a Medicare Prescription Drug Plan. Medicare prescription drug coverage is generally better than most (though not all) Medigap plans. To save, you can
  - drop your Medigap drug coverage, and join a Medicare Prescription Drug Plan. You'd keep your current Medigap policy with the prescription drug coverage removed and the premium changed. Remember, you must contact your Medigap insurance company to drop your drug coverage, or join a Medicare Prescription Drug Plan and buy a different Medigap policy without prescription drug coverage (Plan A, B, C, F, K, or L) sold by your Medigap insurance company. Your Medigap insurance company must offer you its best available rate even if you have a health problem. Two new kinds of Medigap policies (Plans K and L) are now available. These plans work with Medicare prescription drug coverage to limit the most you would have to spend for doctor's services, hospital care, and prescription drugs.

You must apply for your new Medigap policy **within 63 days** after your new Medicare prescription drug plan coverage starts. If you join a Medicare prescription drug plan after May 15, 2006, you probably won't have this guaranteed right to buy another Medigap policy from your Medigap insurance company, or

- join a Medicare Advantage Plan or other Medicare Health Plan in your area, like an HMO or PPO, that includes Medicare prescription drug coverage. Medicare is working with these plans to help them provide even more coverage or lower premium costs. You would get all your health care benefits and prescription drug coverage from the Medicare health plan. Your Medigap policy doesn't work with a Medicare health plan. If you drop your Medigap policy to join one of these plans, you can save the cost of the Medigap premium while gaining prescription drug and other benefits.



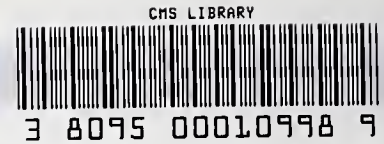
- You can keep your Medigap policy with no change to your prescription drug coverage. In some cases, if you decide to join a Medicare drug plan later than May 15, 2006, you will have to pay a penalty.

**Note:** If you bought a Medigap policy with prescription drug coverage before 1992, or at anytime in the state of Massachusetts, Minnesota, or Wisconsin, you may be able to buy a Medicare prescription drug plan later without having to pay a higher premium. Your Medigap insurance company will send you a notice about this. However, Medicare pays most of the cost of Medicare prescription drug coverage. This means dropping your Medigap prescription coverage and joining one of these new Medicare health plans would reduce your premium costs starting right away.

- No new Medigap policies with prescription drug coverage can be sold starting January 1, 2006. The premiums on your policy might, over time, increase faster than they would if you were in a plan that had new enrollees joining. Since Medicare pays most of the costs of Medicare drug coverage, but no part of your Medigap policy, you won't save on your premiums.

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## How do I get more information?

Detailed information from Medicare will be available in October 2005. You can look at the “Medicare & You 2006” handbook, visit [www.medicare.gov](http://www.medicare.gov) on the web, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You can also contact your Medigap plan. For more information on who qualifies for extra help with prescription drug costs and how to apply, call the Social Security Administration at 1-800-772-1213, or visit [www.socialsecurity.gov](http://www.socialsecurity.gov) on the web. TTY users should call 1-800-325-0778. Look for local Medicare-related events.